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25X1

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Page Denied

Top Secret

25X1

Contents

South Korea: <i>Moves on "Cross-Recognition"</i>	1
Cuba - South America: <i>Broadening Ties</i>	2
China: <i>Shakeup in the Provinces</i>	3
Angola: <i>Military and Political Developments</i>	4

25X1

China-US: <i>The Textile Issue</i>	7
USSR: <i>Changes in Party Information Department</i>	7
France-Iraq: <i>Increased Arms Sales</i>	8

25X1

Thailand: <i>Political Tensions Rise</i>	9
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25X1

Ecuador-USSR: <i>Soviet Arms Deal Rejected</i>	10
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Special Analysis

USSR - West Germany: <i>Gromyko's Visit</i>	11
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25X1

Top Secret

25X1

15 January 1983

Top Secret

25X1

SOUTH KOREA: Moves on "Cross-Recognition"

South Korean officials have been proposing moves by Seoul, the US, and other Western states to improve relations with North Korea in exchange for similar moves toward the South by North Korea, China, and the USSR. [redacted]

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This week in Seoul Foreign Minister Li suggested to his Japanese counterpart that Tokyo propose to Beijing that it recognize South Korea in exchange for Japanese recognition of North Korea. President Chun has asked the US to indicate support for the proposal when Prime Minister Nakasone visits Washington. In addition, the South Koreans next month plan to propose to Secretary of State Shultz that the US move to recognize the North in return for Soviet ties with the South. [redacted]

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Comment: [redacted]

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The South Koreans have been flattered by the Soviets' attention. At the same time, however, some officials in Seoul worry that the US might make reciprocal gestures toward the North that would benefit P'yongyang and perhaps undermine the security alliance with Washington. [redacted]

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Seoul may be taking the lead now mainly in hopes of heading off any such adverse consequences. The South Koreans also may see an opportunity to underscore their ultimate objective of gaining full diplomatic relationships with both China and the USSR while avoiding the appearance of inflexibility. The South Koreans probably believe, however, that the chances of early implementation are slim. [redacted]

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P'yongyang has consistently opposed such ideas in the past. The Chinese, who want to maintain their influence in P'yongyang, seem unlikely to be responsive. [redacted]

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The USSR probably would prefer to avoid a confrontation over the issue with North Korea. The Japanese are likely to coordinate closely with the US before proceeding far with "cross-recognition." [redacted]

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15 January 1983

Top Secret
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CUBA - SOUTH AMERICA: Broadening Ties

Cuba is making progress in improving relations with South American governments, but they remain suspicious of Havana's intentions, particularly toward Suriname. [redacted]

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Cuban progress includes the reestablishment on Tuesday of full diplomatic relations with Bolivia--ties severed since 1964. A preliminary agreement also has been reached with Colombia on resumption of diplomatic ties, which were broken by Bogota in 1981. [redacted]

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In addition, Cuba's Education Minister was scheduled to visit Venezuela this week [redacted]

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Moreover, Havana has been consulting closely with South American governments on the order of business of the Non-aligned meeting in Managua this week. [redacted]

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Comment: Cuba's diplomatic campaign dates roughly from the beginning of the Falkland Islands conflict last April. It reflects Havana's hope of capitalizing on US reverses in the region, in order to counter US efforts to isolate the Castro regime. The campaign also coincides with the interest of some South American governments to emphasize their Nonaligned credentials. [redacted]

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Although Peru and several other nations have been responsive to Cuban overtures, most South American states remain skeptical of Cuban motives. Evidence of Cuban interference in Suriname would provoke anger, especially in Venezuela and Brazil. Havana remains committed to armed struggle, however, and in particular is unlikely to pass up any opportunities to overthrow a reactionary regime. [redacted]

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15 January 1983

25X1

Top Secret
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CHINA: Shakeup in the Provinces

High-level personnel shifts in four provinces during the last two weeks indicate the long-planned reorganization of government bodies is under way in the provinces, where party General Secretary Hu Yaobang is trying to gain increased support. [redacted]

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These moves are the start of a nationwide streamlining of local governments originally scheduled to begin last summer. The postponement had been caused by opposition from lower level officials and by the size and complexity of the task. [redacted]

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Comment: The pattern of personnel actions suggests Hu is using the reorganization to strengthen his position in the provinces--just as he used the reorganization last spring of the national government and party--to tighten his grip on those bureaucracies. Many of the new appointees worked for Hu when he ran the Communist Youth League in the 1950s and 1960s. A purge of the Communist Party also is scheduled to begin shortly. [redacted]

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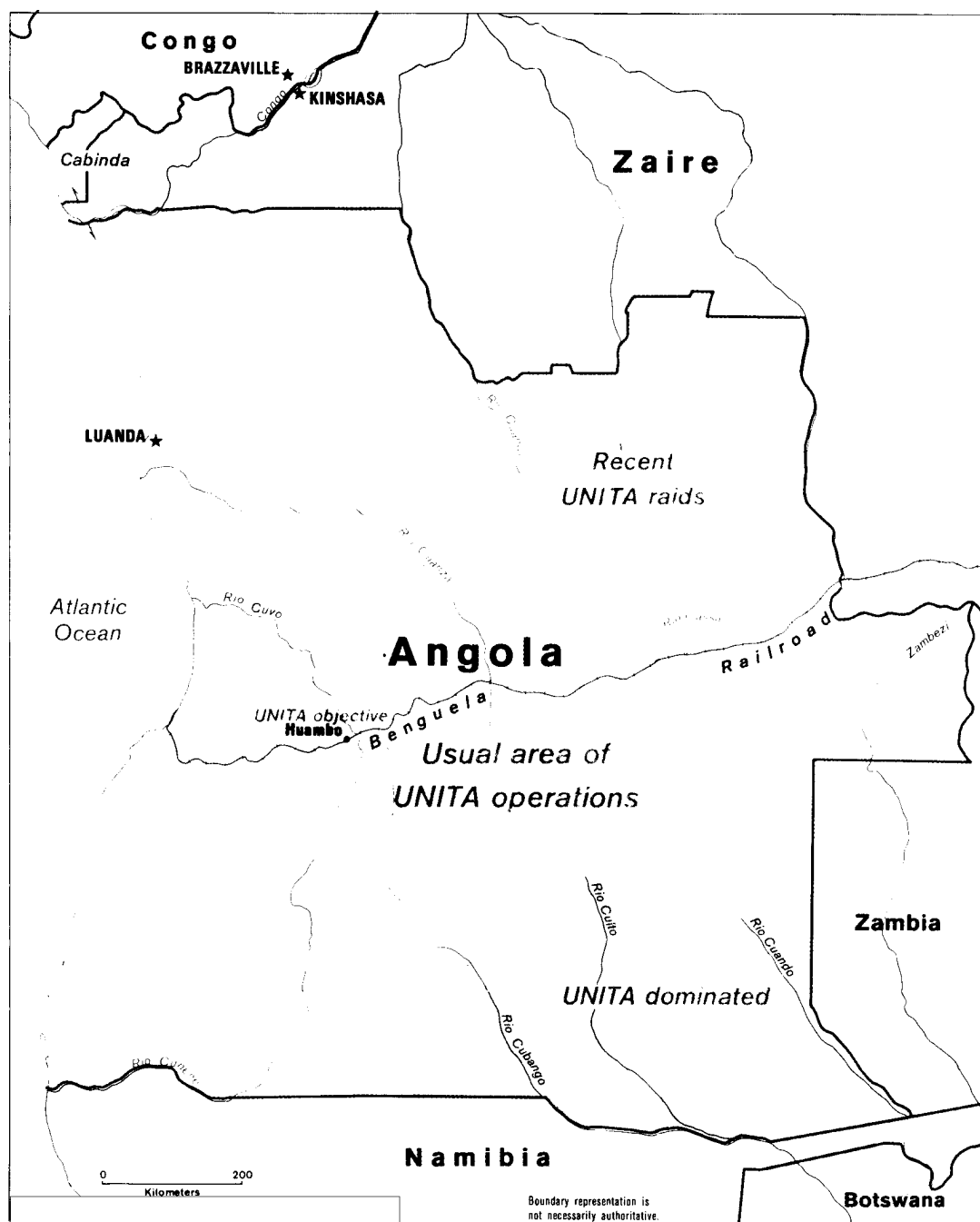
The new appointees exemplify the qualities Beijing has called for in the new generation of leadership. Most are under 60, are college educated or have backgrounds in industrial or financial management, and have established their credentials as administrators rather than ideologues. [redacted]

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Top Secret
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15 January 1983



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25X1

Top Secret

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ANGOLA: Military and Political Developments

Increased military pressure by the UNITA insurgents and a continuing reorganization of the ruling Popular Movement may influence Luanda's position on reconciliation talks with UNITA and negotiations on Namibia. [REDACTED]

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The insurgents recently have accelerated their operations, virtually cutting off government access to the important central city of Huambo. They are ambushing troop convoys throughout the central region. They also have been intensifying their attacks on Cuban and Angolan forces in southeastern Angola and have staged several raids in the northeast, where they had been generally inactive. [REDACTED]

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In Luanda, more than 30 activists recently have been purged from the Popular Movement. Some are associated with the party faction that opposes any accommodation with UNITA or South Africa. Those who have lost their positions reportedly include the wife and adopted son of party chief Lucio Lara, a Moscow-oriented hardliner. [REDACTED]

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Comment: The substantial Angolan and Cuban forces in Huambo probably can hold the city, but the government seems increasingly worried that its position in the central region may become untenable unless it can reopen access routes. UNITA draws most of its adherents from the region, an area that has long been hotly contested. [REDACTED]

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UNITA's gains on the battlefield appear to have encouraged it to issue its recent call for negotiations with the government. President dos Santos seems to want to negotiate settlement of the war with UNITA and of the dispute with South Africa over Namibia. Dos Santos's position almost certainly has been strengthened by the shakeup in the party, but he cannot adopt conciliatory positions too rapidly without risking a coup by the Soviet- and Cuban-backed militants. [REDACTED]

25X1

Top Secret

25X1

15 January 1983

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Top Secret
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CHINA-US: The Textile Issue

Chief Chinese negotiator Li Dengshan's statement on the stalled textile negotiations with the US marks the first time Beijing has accused Washington of negotiating in bad faith. The fourth round of negotiations ended on Thursday without agreement, which will require the US to impose unilateral controls on certain products. Li publicly charged Washington with "lacking sincerity" in trying to reach an agreement and, as in the past, blamed the US for the impasse. He also warned the US against unilateral controls, and again said China will have to respond strongly. [redacted]

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Comment: The statement reflects China's reaction to the publication last month of the US unilateral control plan--a move required by administrative law but interpreted by the Chinese as undermining the negotiations. Beijing probably hopes to obtain a resolution of the issue during Secretary of State Shultz's visit to China next month. The controls will not hurt China's textile exports to the US until this summer. In the meantime, China could retaliate by reducing purchases of forest products, plastics, and perhaps grain. [redacted]

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USSR: Changes in Party Information Department

News of the changes made by General Secretary Andropov in the two top positions in the party's international propaganda department is prompting rumors in Moscow that the organization--the International Information Department of the Central Committee--is to be abolished. The former chief reportedly has refused the ambassadorship to Algeria, while his deputy already has assumed a senior editorial position with *Izvestiya*. [redacted]

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Comment: Both officials rose through the ranks on the strength of their expertise on German matters, and the former chief was closely identified with Brezhnev. They frequently defended Soviet arms control positions to West European audiences. Their removal will strengthen the influence of Vadim Zagladin, the deputy chief of the Central Committee's International Department, particularly if the entire Information Department is disbanded as rumored. Zagladin is another specialist in German affairs and reportedly is highly regarded by Andropov for his advice on European arms control issues and his public relations skills. [redacted]

25X1

Top Secret
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15 January 1983

Top Secret
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FRANCE-IRAQ: Increased Arms Sales

The US Embassy in Paris reports Iraqi Deputy Prime Minister Aziz's recent visit resulted in an agreement under which France will increase its oil imports from Iraq in return for further Iraqi purchases of French weapons. Last year the French purchased only 36,000 barrels per day of Iraqi oil--about 2.5 percent of their total oil imports--while Iraq ordered nearly \$1.5 billion worth of French arms. As part of the deal, the French agreed to find easier payment terms for past and future arms purchases. [redacted]

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Comment: The French have now publicly abandoned their efforts to avoid taking sides between Iraq and Iran. Paris evidently believes improved bilateral trade offers Iraq a Western alternative to the USSR. Moscow is Baghdad's primary source of military equipment. [redacted]

[redacted]

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Top Secret
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15 January 1983

25X1

Top Secret

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THAILAND: Political Tensions Rise

The US Embassy in Bangkok reports serious opposition by important civilian leaders to Army Commander in Chief Athit's call for a special session of the National Assembly to make constitutional changes sought by the armed forces.

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Comment: Most public and party leaders probably will avoid taking a stand until they learn the positions of Prem and the King. If the King opposes him, Athit will have difficulty pushing the changes through by either parliamentary vote or military force.

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Top Secret

15 January 1983

25X1

Top Secret

25X1

ECUADOR-USSR: Soviet Arms Deal Rejected

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Comment: The rejection underscores the basic conservative, anti-Communist character of Ecuador's armed forces, as well as the military's preference for Western arms. Quito's current difficult financial situation also inhibits the purchase of military equipment from any source. Peru, which is engaged in a longstanding territorial dispute with Ecuador, remains the USSR's only arms client in South America.

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KAMPUCHEA: Sihanouk's Intentions

The penultimate paragraph of the article on page 7 in the *Daily* on 14 January should have read as follows: Sihanouk might believe that by quitting he would improve his chances of being invited to the Nonaligned Movement's summit in New Delhi in March. He could then attend the meeting without representing the coalition, which India does not recognize.

25X1

Top Secret

15 January 1983

25X1

Top Secret
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Special Analysis

USSR - WEST GERMANY: Gromyko's Visit

Foreign Minister Gromyko, during his four-day visit to Bonn that begins tomorrow, will seek to exploit the importance that INF has assumed in the West German election campaign by contrasting the USSR's willingness to make substantial reductions in the "medium-range" missile force in Europe with US "inflexibility" in continuing to adhere to its zero option position. He will argue for a temporary delay in INF deployment to allow the Geneva negotiations a greater chance of success.

[redacted]

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In addition to other international and bilateral issues, the two sides probably will discuss ways to increase mutual trade.

[redacted]

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Gromyko is scheduled to meet with Chancellor Kohl, President Carstens, and Foreign Minister and Free Democratic Party leader Genscher. He also will meet with several other leading politicians, probably including Social Democrats Willy Brandt and Hans-Jochen Vogel and perhaps Franz Josef Strauss, chairman of the Christian Social Union.

[redacted]

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Focus on Disarmament

The Foreign Minister will emphasize that General Secretary Andropov's latest proposal for a missile sub-ceiling in Europe would entail substantial reductions of Soviet "medium-range" missiles, including a one-third reduction of the SS-20 force in Europe. He also may note Moscow's willingness to dismantle some SS-20s rather than withdraw them to the Far East--an offer to which the Soviets may have alluded during Vogel's recent visit to Moscow and which they hinted at during the Geneva talks.

[redacted]

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More important, Gromyko may call for at least a temporary delay in INF deployment, arguing that such a step would afford the Geneva negotiators a better opportunity

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Top Secret
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Top Secret
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to consider the Soviet proposals. Furthermore, if he wishes to add to the pressure, he may threaten that the unilateral SS-20 moratorium will end if INF deployment proceeds on schedule. [redacted]

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In his press conference, Gromyko probably will try to appeal to the West German public in general and the peace movement in particular by citing Andropov's proposals as evidence of Soviet sincerity. He also is likely to repeat the call made last week at the Warsaw Pact summit for a mutual nonaggression treaty between NATO and the Pact. [redacted]

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Bonn's Views

The government has remained firm in its public support of the US negotiating position. [redacted]

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[redacted] Bonn recognized Andropov's proposal would leave the USSR a decided advantage in intermediate-range missiles. Furthermore, the government has said the British and French forces are not a credible deterrent to a Soviet attack on West Germany. [redacted]

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Because the government is mindful of the political liability of appearing inflexible on INF, it will display willingness to examine Soviet proposals. These are likely to include the new suggestions Vogel brought back from Moscow. [redacted]

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Bonn has welcomed the Warsaw Pact's willingness to renounce the use of force and engage in an East-West dialogue. In doing so, it has noted that the East previously has endorsed such pledges and that nonetheless Soviet forces remain in Afghanistan. [redacted]

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Top Secret
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15 January 1983

Top Secret
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The West Germans almost certainly will raise the issue of drastic declines in the emigration of ethnic Germans from the USSR, because family reunification has been one of the most significant benefits of Ostpolitik. The Soviets, however, are unlikely to consider any concessions on this issue until after the election. [redacted]

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Gromyko also will reaffirm interest in expanding trade ties with West Germany, the USSR's largest non-Communist trading partner. He and his delegation will probe for signs that the West Germans may waver in their support of OECD guidelines on interest rates for loans to the USSR. [redacted]

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Moscow is particularly interested in facilitating the development of Soviet energy resources, and Gromyko may discuss further work on synthetic fuel projects. Natural gas pipeline projects were discussed during Vogel's trip to Moscow, as was the sale of West German consumer goods. [redacted]

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15 January 1983

25X1

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